



Monthly Bulletin

Volume 7, Number 1

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Investing in Securities

Know the requirements of Financial Code sections 772, 782 and 1336

Recently, it has come to the attention of the Department that there is some confusion with regard to the types of investments in securities that are permissible for banks, the legal and prudential limits on those investments, and whether the Department's prior approval is required before such an investment can be made. Typically, this has involved investments that are governed under Financial Code sections 772, 782 and 1336. Whether the Department's prior approval is required will depend upon which provision applies to the investment, as presented in the following matrix:

	Investments governed by Financial Code section 772	Investments governed by Financial Code section 782	Investments governed by Financial Code section 1336
Require the Department's prior approval?	Yes.	No.	Yes, if the securities 1) are from one obligor or maker, 2) are in excess of 15% of a bank's shareholders' equity and 3) are not one of the types of securities listed in Financial Code section 1336(a)-(d).

Banks that are considering making an investment in securities need to consider and confirm which Financial Code provision governs a potential investment prior to making that investment. The requirements of these provisions are strict, and the appropriate provision to apply in each case will be determined by the type of security the bank is considering to purchase. Therefore, the Department advises all banks to contact the appropriate Assistant Deputy prior to any investment in securities to determine if it is governed by either Financial Code section 772, 782 or 1336.

111 Pine Street, Suite 1100, San Francisco, CA 94111-5613
 300 South Spring Street, Suite 15513, Los Angeles, CA 90013-1204
 1810—13th Street, Sacramento, CA 95814
 9609 Waples Street, Suite 100, San Diego, CA 92121
 Consumer Compliance

(415) 263-8500
 (213) 897-2085
 (916) 322-5966
 (858) 642-4242
 (800) 622-0620

General Counsel Rosemarie Oda to Leave DFI

Commissioner of Financial Institutions Donald Meyer announced that Rosemarie Oda, General Counsel, will leave the Department of Financial Institutions (DFI) on Friday, August 8 to join the San Francisco office of the law firm Pillsbury Winthrop LLP.

Ms. Oda joined DFI in September 2000. She made many contributions to the Department and its mission. She implemented the [Legal Precedent System](#), which made it easy for staff and licensees to access the useful interpretations and opinions issued during the past, thereby saving time and expense for all. She led the way to close down liquidations that had been pending for years and provided counsel and advice on many legal issues thereby enabling us all to better serve the public.

Mr. Tom Thompson, Assistant General Counsel, will continue to be the contact person in the Legal Department. Mr. Thompson may be contacted at (415) 263-8516 or by e-mail at tthompson@dfi.ca.gov

Commercial Bank Activity

New Bank

American Premier Bank
336 East Huntington Drive, Arcadia, Los Angeles County
Phone: (626) 821-8008
Officers: Andrew Tjia, President and Chief Executive Officer
Kerry Stone, Chief Financial Officer
Hans Chan, Chief Credit Officer
Capitalization: \$10,300,000.00
Opened: 7/7/03

Golden State Business Bank
Proposed Location: In the vicinity of 1060 West Foothill Boulevard, Upland, San Bernardino County
Correspondent: Peggy Hansen
517 North Mountain Avenue, Suite 106
Upland, CA 91786
Phone: (909) 912-0106
Approved: 7/30/03

Merger

Central Sierra Bank, San Andreas, with and into Central California Bank, Sonora
Approved: 6/25/03
Effected: 7/11/03

Comerica Bank – California, San Jose, with and into Comerica Bank, Detroit, Michigan
Effected: 6/30/03

Merger (Continued)

First Continental Bank, Rosemead, with and into United Commercial Bank, San Francisco
Effectuated: 7/11/03

General Bank, Los Angeles, with and into Cathay Bank, Los Angeles
Filed: 7/3/03

Southland Business Bank, Irwindale, with and into Vineyard Bank, Rancho Cucamonga
Approved: 6/18/03
Effectuated: 7/4/03

Conversion to State Charter

First Bank of Beverly Hills, F.S.B., Calabasas, to convert from a federal savings bank to a state-chartered bank under the name First Bank of Beverly Hills
Withdrawn: 6/30/03

InterBusiness Bank, N.A., Los Angeles, to convert from a national bank to a state-chartered bank under the name InterBusiness Bank
Filed: 7/15/03

Sale of Partial Business Unit

California Bank & Trust, San Diego, to sell its trust assets to Western National Trust Company, Los Angeles
Effectuated: 6/30/03

Acquisition of Control

Heritage Oaks Bancorp, to acquire control of Hacienda Bank, Santa Maria
Filed: 7/16/03

Yong Oh, to acquire control of Uniti Bank, Buena Park
Filed: 7/22/03

Correction

The June 2003 issue of the *Monthly Bulletin* incorrectly reported that California Bank & Trust sold its trust business to Western National Trust Company, Salt Lake City, Utah. Western National Trust Company is located in Los Angeles, California.

Premium Finance Company Activity

New Premium Finance Companies

BCIC Premium Finance Company
2501 East Chapman Avenue, Suite 100, Fullerton, Orange County
Opened: 6/30/03

California Millennium Financing, Inc.
22349 La Palma Avenue, Suite D-110, Yorba Linda, Orange County
Opened: 7/1/03

Premium Payment Plan Inc.
2383 Buena Vista Avenue, Livermore, Alameda County
Opened: 7/29/03

RSA Premium Finance Company
2501 East Chapman Avenue, Suite 100, Fullerton, Orange County
Opened: 6/30/03

Snowcrest Funding, Inc.
2501 East Chapman Avenue, Suite 100, Fullerton, Orange County
Opened: 6/30/03

West Coast Premium Finance Corp.
2501 East Chapman Avenue, Suite 100, Fullerton, Orange County
Filed: 7/17/03

Foreign (Other Nation) Bank Activity

Discontinuance of Office

BBVA BANCOMER, S.A.
444 South Flower Street, Suite 100, Los Angeles, Los Angeles County (Depository Agency)
Filed: 4/17/02
Approved: 7/16/03

Dresdner Bank, A.G.
355 South Grand Avenue, Los Angeles, Los Angeles County (Depository Agency)
Approved: 7/17/03

Change of Name

The Development Bank of Singapore Ltd., to DBS Bank Ltd.

Effected: 7/21/03

Credit Union Activity**Merger**

Coastline Community Credit Union, Long Beach, into Orange County's Credit Union, Santa Ana

Filed: 7/7/03

Gentelco West Federal Credit Union, Long Beach, into Pacific Community Credit Union, Fullerton

Filed: 7/7/03

Field of Membership

13 credit unions received approvals to add 38 new fields of membership during June 2003.

Select Group

One credit union received an approval to add a select group to its field of membership during June 2003

Bylaw Amendment

Six credit unions received approval for seven bylaw amendments during June 2003.

Amendment of Articles of Incorporation

Eleven credit unions received approvals for 11 amendments of articles of incorporation during June 2003.

Transmitter of Money Abroad Activity**New Transmitters**

GroupEx Financial Corporation Inc.

14849 Firestone Boulevard

La Mirada, CA 90638

Approved: 7/30/03

Acquisition of Control

Frederick M. Locsin, Maria R. Locsin, and Felicidad V. Jimenez, to acquire control of Dollar American Exchange

Filed: 7/1/03

DONALD R. MEYER

Commissioner of Financial Institutions

Bulletin for Month ended
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to Financial Code, Section 258



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